

TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION

TRANSMITTAL NUMBER

MS 90-23

STATE

Missouri

PROGRAM IDENTIFICATION

Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

PROPOSED EFFECTIVE DATE

July 1, 1990

TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE NEXT 4 BLOCKS IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

FEDERAL REGULATION CITATION

NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A

Pages: 3b, 3c

NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT

Attachment 4.19-A

Pages: 3b

SUBJECT OF AMENDMENT

Updating of provisions of the Inpatient Hospital Reimbursement Plan to reflect changes implemented during the July-September 1990 quarter. Trend factor to be applied.

GOVERNOR'S REVIEW (Check One)

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *SP*
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

SIGNATURE OF STATE AGENCY OFFICIAL

[Signature]
TYPED NAME:

Gary J. Stangler

TITLE:

Director, Dept. of Social Services

DATE:

August 3, 1990

RETURN TO:

Division of Medical Services
P.O. Box 6500
Jefferson City, MO. 65102-6500

FOR REGIONAL OFFICE USE ONLY

DATE RECEIVED

08/13/90

DATE APPROVED

DEC 13 2000

PLAN APPROVED - ONE COPY ATTACHED

EFFECTIVE DATE OF APPROVED MATERIAL

07/01/90

SIGNATURE OF REGIONAL OFFICIAL

[Signature]

TYPED NAME:

Thomas W. Lenz

TITLE:

ARA for Medicaid & State Operations

REMARKS:

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Vadner
White
CO*

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HCF-179
REGION 1990

1. An increase applied to each individual provider's per-diem rate equal to three-quarter's of one percent (.75%); and
2. An increase applied to each individual provider's per-diem rate equal to three-quarter of one percent (.75%) times the average weighted per-diem rate paid for all Missouri hospitals, excluding state mental health facilities, as of June 1, 1989.

G. The inflation index will be developed by the Missouri Division of Medical Services. The hospitals will be notified as to the amounts of each index used to calculate their Title XIX per-diem rate.

Effective July 1, 1990, for the determination of provider's Title XIX per-diem rates as stated in paragraph I.A.1. during the state's fiscal year 1991, an inflation index of one percent (1%) shall be used. This index shall be applied in the following manner:

1. An increase applied to each individual provider's per-diem rate equal to one-half of one percent (.5%); and
2. An increase applied to each individual provider's per-diem rate equal to one-half of one percent (.5%) times the average weighted per-diem rate paid for all Missouri hospitals, excluding state mental health facilities, as of June 1, 1990.

Effective July 1, 1990, for the determination of provider's Title XIX per-diem rates as stated in paragraph I.A.3. during the state's fiscal year 1991, the following inflation indices will be applied: one percent (1%) for fiscal year 1989; one and one-half percent (1.5%) for fiscal year 1990; and one percent (1%) for fiscal year 1991. The method used for the application of the 1989 and 1990 indices will be the same as described in fiscal years 1989 and 1990.

- H. Should a change occur in the inflation index, these changes will be applied to subsequent yearly prospective rates and shall not increase or decrease a hospital's Title XIX reimbursement rate during the current fiscal year.
- I. The Title XIX per-diem rate as determined by this plan shall apply only to services furnished to recipients whose date of admission occurs after this plan's effective date.

II. Definitions

A. Effective Date

1. The Plan Effective Date shall be October 1, 1981.
2. The Adjustment Effective Date shall be thirty (30) days after notification to the hospital that their reimbursement rate has been changed unless modified by other sections of the plan.

B. Base Year Rate

The base year rate shall be the Title XIX per-diem rate as determined by the individual Hospital Cost Report for the third prior Hospital Fiscal Year.

C. Medicare Rate

The Medicare Rate is the rate established on the basis of allowable costs as defined by applicable Medicare standards and principles of reimbursement (42 CFR Part 405) as determined by the servicing fiscal intermediary based on yearly Hospital Cost Reports.

APPENDIX

Findings, Assurances, Related Information

Findings and Assurances

In conformity with the Title 42 CFR Section 447.253 (a) and (b), the Department of Social Services/Division of Medical Services (DSS/DMS) makes the following findings and assurances:

- o Inpatient hospital facility rates of payment have been found to be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- o The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income-patients with special needs.
- o The methods and standards used to determine payment rates provide that reimbursement of hospital patients receiving services at an inappropriate level of care under conditions similar to those described in section 1861(v)(1)(G) of the Act will be made at lower rates, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G).
- o The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for inpatient hospital services than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for inpatient hospital services to state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.

- o The payment methodology used by the State for payments to hospitals for medical assistance beginning July 1, 1989, can reasonably be expected not to increase payments solely as a result of a change of ownership in excess of the increase which would result from application of 42 U.S.C. 1861(v)(1)(O) of the Social Security Act for all changes of ownership which occur on or after July 18, 1984, except for those changes made pursuant to an enforceable agreement executed prior to that date.
- o DSS/DMS provides hospitals with an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates with respect to such issues as DSS/DMS determines appropriate.
- o DSS/DMS requires the filing of uniform cost reports by each participating provider.
- o DSS/DMS provides for periodic audits of the financial and statistical records of participating providers.
- o DSS/DMS published prior notice of said change in the Missouri Register.
- o DSS/DMS pays for inpatient hospital services using rates determined in accordance with methods and standards specified in the approved State Plan.

Related Information

In conformity with Title 42 CFR Section 447.255, DSS/DMS is submitting with the findings and assurances the following related information:

- o The estimated weighted average proposed payment rate for inpatient hospital care for in-state facilities, including disproportionate share providers and excluding state mental health facilities, out-of-state and federally operated in-state hospitals, is \$406.87 per day. This is an increase of 1.5% over the average weighted payment rate for the preceding rate period.
- o The proposed payment rate for inpatient hospital care provided by out-of-state and in-state federally operated hospitals is \$345.13 per day, an increase of 1.10%.
- o DSS/DMS does not anticipate that the change in the estimated weighted average rate will impact the availability of services, type of care furnished, or the extent of provider participation on a statewide or geographic area basis either in the short - or long-term.

State Plan Title _____ Effective Date _____
 Supersedes Plan _____ Approved Date **DEC 13 2000**

- o Those hospitals which meet the definition of a disproportionate share provider as set forth in the approved State Plan, will receive a rate adjustment. Based on additional information relating to Title XIX utilization and costs submitted by these providers, rate increases are granted which facilitate reimbursement of a greater percentage of Title XIX costs than that allowed non-disproportionate share providers.
- o Section V.F.3.(d), page 12, of the State's Inpatient Hospital Reimbursement Plan provides that a change in ownership/management of a hospital is not subject to review for rate reconsideration. Under the State's current methodology, hospital payment rates do not increase as a result of a change in ownership.

State Plan TN# _____ Effective Date _____
Superseded TN# _____ Original Date **DEC 15 2000**